

PART 1 - PUBLIC

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**Decision Maker:** Adult & Community Services Portfolio Holder

**For Pre-decision Scrutiny by the Adult & Community Services PDS Committee on 21<sup>st</sup> September 2010**

**Date:** 21<sup>st</sup> September 2010

**Decision Type:** Non-Urgent Executive Key

**Title:** **BUDGET MONITORING 2010/11 - ADULT & COMMUNITY SERVICES**

**Contact Officer:** Tracey Pearson, Interim Head of Finance,  
Tel: 020 8461 7806 E-mail: tracey.pearson@bromley.gov.uk

**Chief Officer:** Terry Rich, Director of Adult & Community Services

**Ward:** Borough Wide

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1. Reason for report

This report provides the budget monitoring position for the Adult and Community Services Portfolio, based on expenditure and activity levels up to 31 July 2010.

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**RECOMMENDATION(S)**

The Portfolio Holder is requested to note that a projected overspend of £ 451,000 is forecast on the controllable budget for the Adult and Community Services Portfolio as at 31<sup>st</sup> July.

### Corporate Policy

1. Policy Status: Existing policy.
  2. BBB Priority: Excellent Council.
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### Financial

1. Cost of proposal: N/A
  2. Ongoing costs: Recurring cost.
  3. Budget head/performance centre: All Adult & Community Services Portfolio Budgets
  4. Total current budget for this head: £96.4M
  5. Source of funding: Existing revenue budgets
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### Staff

1. Number of staff (current and additional): 799 fte's
  2. If from existing staff resources, number of staff hours: N/A
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### Legal

1. Legal Requirement: Statutory requirement. The statutory duties relating to financial reporting are covered within the Local Government Act 1972; the Local Government Finance Act 1998; the Accounts and Audit Regulations 1996; the Local Government Act 2000; and the Local Government Act 2002.
  2. Call-in: Call-in is applicable
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### Customer Impact

1. Estimated number of users/beneficiaries (current and projected): The 2010/11 budget reflects the financial impact of the Council's strategies, service plans etc. which impact on all of the Council's customers (including council tax payers) and users of the services.
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### Ward Councillor Views

1. Have Ward Councillors been asked for comments? N/A.
2. Summary of Ward Councillors comments: N/A

### **3. CHIEF OFFICER'S COMMENTS**

- 3.1 This report provides the budget monitoring position for the Adult & Community Services Portfolio based on spend and activity at the end of July 2010, which shows that overall there has been a reduction in the projected overspend from £495,000 to £451,000 since the last report.
- 3.2 In the Learning Disabilities service a continuing programme of care plan reviews aimed at promoting independence and reducing reliance on residential care, and in proactively working with young learning disabled people to plan for their transition into adult services, is enabling costs to be contained within allocated resources. Indeed over the last period, the year end projection is showing a small underspend. However it is too early in the year to discount circumstances arising that could reverse this trend.
- 3.3 Pressures within Physical Disability services are being addressed through a comprehensive review of all current care packages, including utilising the benefits of the new re-ablement service, with the aim of maximising independence and where appropriate, reducing on-going reliance on paid carers. In addition the service is auditing the income being received from the NHS to ensure that the Council is receiving the full contribution that it is entitled to recover, to offset the costs of continuing care or health related services. Early indications are that increased income and cost reductions can be achieved in this area.
- 3.4 In older people services the policy of reducing the numbers being funded in residential and nursing home care continues to reduce spend in these areas, enabling additional funds to be allocated towards maintaining people for longer in their own homes. Increased use of independent sector providers and maximising the benefits from new referrals being offered short term re-ablement, are the major planks of efforts to reduce spend in this area. Rigorous application of the eligibility criteria and regular reviews aimed at reducing long-term reliance on care services are also assisting in reducing pressures in this area.
- 3.5 In addition there are in-year cost pressures in the in-house Home Care service, as the volume of the service it can deliver decreases whilst its overhead costs reduce at a slower rate. It is anticipated that these costs will reduce during the course of the year and be offset by the savings netted from work that the in-house service can no longer deliver being delivered by independent sector providers.

### **4. POLICY IMPLICATIONS**

- 4.1 The Resources Portfolio Plan for 2010/11 includes the aim of effective monitoring and control of expenditure within budget and includes the target that each service department will spend within its own budget.
- 4.2 Bromley's Best Value Performance Plan "Making a Difference" refers to the Council's intention to remain amongst the lowest Council Tax levels in outer London and the importance of greater focus on priorities.
- 4.3 The four year financial forecast report highlights the financial pressures facing the Council. It remains imperative that strict budgetary control continues to be exercised in 2010/11 to minimise the risk of compounding financial pressures in future years.
- 4.4 Chief Officers and Departmental Heads of Finance are continuing to place emphasis on the need for strict compliance with the Council's budgetary control and monitoring arrangements.

## 5. FINANCIAL IMPLICATIONS

- 5.1 The 2010/11 projected outturn is shown in Appendix 1 and includes a forecast of projected expenditure for each division, compared to the latest approved budget, with an explanation of any variations. The projections are based on expenditure and activity levels up to July 2010 and show a projected overspend of £451,000 on the “controllable” budget. The final column in Appendix 1 (a) shows the full year impact of any overspends in this financial year which are expected to follow through into next year. Appendix 2 shows the make up of the latest approved budget for the Portfolio.
- 5.2 Costs attributable to individual services have been classified as “controllable” and “non-controllable” in Appendix 1. Budget holders have full responsibility for those budgets classified as “controllable” as any variations relate to those factors over which the budget holder has, in general, direct control. “Non-controllable” budgets are those which are managed outside of individual budget holder’s service and, as such, cannot be directly influenced by the budget holder in the shorter term. These include, for example, building maintenance costs and property rents which are managed by the Property Division but are allocated within individual departmental/portfolio budgets to reflect the full cost of the service. As such, any variations arising are shown as “non-controllable” within services but “controllable” within the Resources Portfolio. Other examples include cross departmental recharges and capital financing costs. This approach, which is reflected in financial monitoring reports to budget holders, should ensure clearer accountability by identifying variations within the service that controls financial performance. Members should specifically refer to the “controllable” budget variations relating to portfolios in considering financial performance.
- 5.3 The main pressures arise in the Care Services division, where an overspend of £486,000 is currently forecast, which can be analysed as follows;

Residential and nursing care for older people	-42
Domiciliary care for older people	202
Domiciliary and residential care for clients with physical disabilities	196
Total Assessment & Care Management	<b>356</b>
Aids-Hiv Grant	-45
Direct Services - Homecare	175
<b>Total Care Services</b>	<b>486</b>

- 5.4 Minor variations within the Commissioning and Partnerships division amount to a projected underspend of £35,000.
- 5.5 A further explanation of all of the variations can be found in appendix 1 (b).

<b>Non-Applicable Sections:</b>	Legal, Personnel, Customer Impact
Background Documents: (Access via Contact Officer)	2010/11 Budget Monitoring files within Adult & Community Services Finance Section